H.E. Davis Construction, Inc.

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m/023/016

February 18, 2003

Division of Oil, Gas and Mining Attn; Wayne Hedberg PO BOX 145801 Salt Lake City, UT 84114-5801 MAR 0 3 2003

DIV. OF OIL, GAS & MINING

RE: HE Davis, Levan / Steele Gypsum mine M/023/016. Public comments.

Dear Mr. Hedberg,

There have been several issues raised by the residence of Levan as to the tentative approval to commence large mining operations as proposed by the Division of Oil, Gas and Mining. This letter will categorize and address these issues. Based on the responses received there are 4 basic issues. They are: Air Quality or dust from the operation; concern for the town water supply; truck traffic, noise and safety through town and in the canyon, and blasting.

Air Quality: A revised Air Quality permit for this operation is being submitted. The permit will include a fugitive dust control plan that will meet the Division of Air Quality standards. Some efforts have already been made to control the dust from this project and more effort will be made including treating roads with magnesium chloride and watering when necessary.

Levan Water Supply: One of the main concerns with the water supply is that the water lines supplying water to the Town of Levan are not buried very deep in the road through the canyon. Road maintenance and truck traffic could damage the water lines. When improvements are made on the road additional material will be added to the road in order to increase the depth of the lines.

The effects of blasting will be studied further, (see Blasting).

Mining should not have an adverse effect of the water supply. The mining is occurring in bedrock on very steep slopes, thus creating benches and flat areas that capture water instead of allowing quick runoff. This should only enhance the recharge ability of the springs in the mine area.

Truck Traffic: One of the main concerns raised was the increased truck traffic if a Large Mining Permit is issued. The designation of a mine as either small or large is based on the acres disturbed and not the quantity produced. The Large Mining Permit was not applied for so that the production of the mine could be increased. The permit

was applied for so that the existing size of the mine would be permitted under the correct designation. It is not anticipated that the quantity mined will change much from current levels.

Another concern with truck traffic was that the trucks drove through town. The concerns included safety, noise and dust. HE Davis uses this route because it is the only route out of the canyon. Other alternatives are at this time being pursued with local government officials. Training will also be provided to drivers as to obeying local traffic laws and in using common courtesy. The hours of hauling will also be adjusted so as to eliminate after hours hauling as much as possible.

The canyon road is also of concern and upgrading the main road in the canyon or upgrading the private road across the canyon are being investigated. If the main road in the canyon will be used the road will be widened and made accessible to two vehicles passing. If the private road is used it will be gated on either end so that the public will not be able to access it.

Blasting: Blasting is a necessary part of the mineral recovery process. Several other methods have been tried to loosen the material which have all had very limited success. Blasting only happens 8 - 10 times per year and only during normal business hours. Dust generated from a blast consists of particles that are mostly 10 microns or larger and therefore fall out of the atmosphere in a relatively short time. Distance from the town of Levan and predominant winds should keep the majority of the dust from this part of the operation away from populated areas.

There is a question as to what the effects of blasting may have on the springs below the mine. The energy of from blasting usually dissipates rapidly and because the gypsum is a soft material it should absorb much of it. We have also been monitoring the springs area on an almost daily basis and have not detected any changes that are not attributed to seasonal or drought conditions. To ensure that blasting does not have any adverse affects on the springs or the houses in town, a blasting protocol will be put in place which will include some engineering or monitoring to substantiate the safety of this procedure.

If there are any questions please contact me at (801) 802-6913.

Tony L. Christofferson

Jony & Christofferson

Property/Environmental Manager Clyde Companies – HE Davis Const.